



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION VIII

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June 28, 2000

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William J. Duffy, Esq. Davis, Graham & Stubbs 370 17th Street, Suite 4700 Denver, CO 80202 RECEIVED

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OFFICE OF THE ATTORNEY GENERAL NATURAL RESOURCES & ENVIRONMENT SECTION

Re: Rico-Argentine Mine Site

Dear Bill:

This follows up on our phone conversation this past Monday, June 26, 2000. Per our discussion, enclosed are documents associated with the emergency removal action conducted recently by the U.S. Environmental Protection Agency ("EPA") at the Rico-Argentine Mine Site (the "Site") located near Rico, Colorado. Specifically, I have enclosed all documents presently contained in the administrative record for the Site and the CERCLA Section 104(e) information request recently mailed to Crystal Gas Storage, Inc. (a copy of which was FAXed to you this morning). I have also enclosed the following pleadings from <u>U.S. and State of Colorado v. Rico Development Corporation et al.</u>, Civil Action No. 99-M-1386 (D. Colo.): (1) the amended complaint filed by the United States and the State of Colorado; (2) the answer filed by Wayne Webster; and (3) the motion to dismiss filed by Virginia Sell. If there are other documents that you would like, please let me know.

Regarding ARCO's involvement at the Site, it is my understanding that an environmental consulting firm employed by ARCO will soon be taking water samples at the Site, perhaps even this week. The purpose of the sampling, as I understand it, is to begin evaluating the nature of treatment that will be required at the St. Louis and Blaine tunnels. Although I am aware that ARCO has not made any commitment regarding ongoing treatment of the effluent discharging from the tunnels, hopefully we will be able to reach an agreement whereby ARCO and/or Crystal Gas Storage will commit to treating the effluent from the tunnels or funding treatment conducted by another entity.

Please call me before the end of next week to discuss the disclosure by ARCO of records in its possession that would assist EPA in determining ARCO's relationships with the Rico-Argentine Mining Company and Crystal Gas Storage and its predecessors. If ARCO is unable or unwilling to voluntarily share this information, please advise me immediately so that EPA can promptly issue a CERCLA Section 104(e) information request to ARCO. Your cooperation in this matter is appreciated.

If you have any questions, please feel free to call me at (303) 312-6916.

Sincerely,

Sheldon H. Muller Enforcement Attorney

Shelden H. Muller

Enclosures

cc (w/o encls.):

Robert Homiak-DOJ Stephen Taylor-USAO Annette Quill-COAG Monica Heimdal-EPA